

# **Alabama Office of State Treasurer**



## **Functional Analysis & Records Disposition Authority**

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# Functional and Organizational Analysis of the Alabama Office of State Treasurer

## Sources of Information

- Representatives of the Alabama Office of State Treasurer
- Constitutions of Alabama 1819, 1861, 1868, 1901
- Acts of Alabama 1819
- Alabama Acts 1989-862, 1996-724, 2001-427, and 2015-442
- Code of Alabama 1876
- Code of Alabama 1975 § 36-17-1 through 36-17-19; § 41-14-1 through 41-14-16; § 41-14-30 through 41-14-38; § 16-33C-1 through 16-33C-8; and § 35-12-70 through 35-12-96
- 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- Alabama Government Manual (2018)
- Holdings of the Alabama Department of Archives and History Archives Division, State Agency Files (1985 – ongoing)
- Comprehensive Annual Financial Reports
- Alabama Office of State Treasurer websites
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- Owens, Lori J. “Office of the State Treasurer.” *Encyclopedia of Alabama*, May 31, 2017. <http://www.encyclopediaofalabama.org/article/h-3002>.
- Toulmin, Harry. *A Digest of the Laws of the State of Alabama Containing the Statutes and Resolutions in Force at the End of the General Assembly in January, 1823*. Cahawba: Ginn & Curtis, 1823. <https://books.google.com/books?id=fINPAQAIAAJ&pg=PA765#v=onepage&q&f=false>.

## Historical Context

Alabama’s Office of the Treasurer is as old as the state itself. Between becoming a territory in 1817 and obtaining statehood in 1819, Alabama’s General Assembly resolved that the territorial governor should “[ascertain] and receiv[e]... the amount of moneys to which the Alabama Territory may be entitled...” from the State of Mississippi.<sup>1</sup> In 1819, the constitution which formed Alabama’s government also provided for a State Treasurer to be elected annually by a joint vote of both houses of the General Assembly. The 1868 Constitution provided for the first popular election of the State Treasurer; later, the 1901 Constitution extended the term of office from two to four years.

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<sup>1</sup> Harry Toulmin, *A Digest of the Laws of the State of Alabama Containing the Statutes and Resolutions in Force at the End of the General Assembly in January, 1823* (Cahawba: Ginn & Curtis, 1823): 767, <https://books.google.com/books?id=fINPAQAIAAJ&pg=PA765#v=onepage&q&f=false>.

The State Treasurer safeguards and manages Alabama's financial resources. The Office of State Treasurer receives and deposits money due to the state; securely invests and disburses state funds; pays and maintains records of the state's bonds and securities; and manages the state's debt.<sup>2</sup> Over the course of the state's history, the scope of the Office's responsibilities has expanded beyond its original mandate. For instance, the Office of State Treasurer oversees the state depository application process. According to the Code of Alabama 1975 § 41-14-2, a qualified public depository may file an application in writing with the State Treasurer to be designated as a state depository. The Governor, the Department of Finance, and the Office of State Treasurer are authorized to establish regulation and collection methods to facilitate the transaction of business with approved state depositories.<sup>3</sup>

*Explanatory Note: A "depository" is a place where something may be deposited, such as a bank. A "qualified public depository" is any bank or financial institution that is qualified to receive and hold state funds pursuant to the Code of Alabama 1975 Title 41 Chapter 14A. A "state depository" is a qualified public depository which has been approved by the Office of State Treasurer as a depository of state funds.<sup>4</sup>*

The State Treasurer developed a "Plan for Linked Deposits" in 1988 to help agricultural and small business operations start or expand a business. A partnership between the Office of State Treasurer and banks, the program authorized the State Treasurer to deposit a portion of the state's excess cash portfolio with state depositories at a below market rate, which in turn provided reduced rate loans to eligible individuals. The program was suspended in 2001 and renewed through the Linked Deposit Program of 2007. Through the program, participating financial institutions link state funds deposited with the institution to loans to eligible "agricultural, emergency, or small business borrowers."<sup>5</sup>

With the 1989 passage of the Wallace-Folsom Prepaid College Tuition Act, the Office of State Treasurer began administering the Alabama Prepaid Affordable College Tuition (PACT) Program.<sup>6</sup> In 2001, the act was revised and renamed the "Wallace-Folsom College Savings Investment Plan Act" and created a second college savings investment plan called the Alabama College Education Savings (ACES) Program. Both of these plans are qualified tuition programs under Section 529 of the Internal Revenue Code with tax benefits designed to encourage Alabamians to set money aside for their beneficiaries' education expenses. The ACES Program, marketed as CollegeCounts 529, allows savers to open an investment account, while the PACT Program allows savers to prepay for future tuition and mandatory fees. The PACT Program has been closed to enrollment since 2008.

In 1996, the Legislature transferred the administration of the Uniform Disposition of Unclaimed Property Act from the Department of Revenue to the Office of State Treasurer. This act gave the State Treasurer authority over the claim, custody, and disposition of unclaimed/abandoned property in Alabama. A holder of property presumed abandoned is required to report and

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<sup>2</sup> Code of Alabama 1975 § 36-17-19.

<sup>3</sup> Code of Alabama 1975 § 41-14-15.

<sup>4</sup> Code of Alabama 1975 § 41-14-2.

<sup>5</sup> Code of Alabama 1975 § 41-14-50 through § 41-14-51.

<sup>6</sup> Alabama Acts 1989-862, 2001-427, 2015-442.

subsequently transfer the property to the Office of State Treasurer. The state then “assumes custody and responsibility for the safekeeping of the property,” adjudicating any outstanding claims to the property and/or disposing of the property as appropriate.<sup>7</sup> The 1996 act was superseded by the Uniform Disposition of Unclaimed Property Act of 2004, revised in 2013, and remains in force as of October 2020.<sup>8</sup>

In 2000, the Legislature passed the Security for Alabama Funds Enhancement (SAFE) Act to increase the security of public funds in state depositories. The SAFE Program requires any bank or financial institution which accepts deposits of public funds to ensure those funds by pledging eligible collateral to the State Treasurer. To further safeguard public deposits, the law requires all participating financial institutions to guarantee each deposit in the SAFE collateral pool.<sup>9</sup>

Most recently, the Office of State Treasurer became the administrator for a third savings program through Alabama Act 2015-442. The act renamed the Wallace-Folsom College Savings Investment Plan as the Wallace-Folsom Savings Investment Plan and added the Achieving a Better Life Experience (ABLE) Program to the plan. The ABLE Program provides eligible disabled individuals with a tax-exempt savings program which does not impact their eligibility for other resource-based benefits.

## Agency Organization

The State Treasurer is a constitutional officer chosen by popular election for a four-year term. The Treasurer may be reelected for one successive term. To serve as Treasurer, an individual must be twenty-five years old, a U.S. citizen for at least seven years, and an Alabama resident for at least five years prior to election. Before entering office, the Treasurer-elect executes to the State of Alabama a surety bond approved by the Governor in the amount of \$150,000.00 for the faithful performance of his/her duties.<sup>10</sup>

The Treasurer serves as an *ex officio* member of various state boards and commissions, including, but not limited to, the following: the State Board of Adjustment, the Board of Control of the Teacher's Retirement System, the Board of Control of the Employees' Retirement System of Alabama, and the Alabama Public School and Junior College Authority.<sup>11</sup> The Treasurer also served on the now-defunct Coosa Valley Development Authority and the Higher Education Loan Commission.

The Office of State Treasurer is organized into seven divisions as of October 2020: Administrative, Bonds, Cash Management, Fiscal and Internal Operations, Savings Programs (ABLE, CollegeCounts 529, and PACT), Securities for Alabama Funds Enhancement (SAFE) Program, and Unclaimed Property. The Treasurer's staff is composed of both merit system employees (including accountants and administrative support personnel) and non-merit system

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<sup>7</sup> Code of Alabama 1975 § 35-12-79.

<sup>8</sup> Code of Alabama 1975 § 35-12-70 through 35-12-96.

<sup>9</sup> Code of Alabama 1975 § 41-14A-8.

<sup>10</sup> Code of Alabama 1975 § 36-17-1.

<sup>11</sup> Lori J. Owens, “Office of the State Treasurer,” *Encyclopedia of Alabama*, May 31, 2017, <http://www.encyclopediaofalabama.org/article/h-3002>.

employees.

## Agency Function and Subfunctions

The mandated functions of the Office of State Treasurer are to maintain custody of all state funds deposited with the state, to pay duly executed warrants, and to make payments on the state debt. The Office of State Treasurer is the state's central banking agency. It is one of the agencies primarily involved in carrying out the Financial Management subcategory of the Administrative Support Operations function of Alabama government.

In the performance of its mandated function, the agency may engage in the following subfunctions:

- **Managing State Funds.** The State Treasurer has numerous functions related to the management of state funds. These functions include receiving all money due to the state, depositing money with qualified public depositories, investing excess monies, and keeping account of the receipts and expenditures of public money.<sup>12</sup>

The State Treasurer pays all warrants duly executed by the State Comptroller and electronically transfers funds approved by the State Comptroller.<sup>13</sup> A warrant is a written order that authorizes and orders payment from one entity to another. Alabama's State Comptroller issues warrants for a wide variety of payments instructing the State Treasurer to make payment from the Treasury. Alternatively, all checks drawn on state funds are signed by the State Treasurer or chief clerk of the Office of State Treasurer and are countersigned by the State Treasurer's special assistant.<sup>14</sup>

The State Treasurer may deposit state funds in any financial institution that is designated a qualified public depository. Funds may be deposited in various accounts, including, but not limited to, demand deposit accounts (from which funds may be withdrawn at any time), certificates of deposit, and time deposit open accounts (in which funds grow at a fixed rate and may be withdrawn after a fixed period of time). Time deposit open accounts may have maturities of ninety-one days, six months, or one year.<sup>15</sup> The State Treasurer may also invest funds in bonds, notes, treasury bills, money market mutual funds, federal agencies (such as the Federal Land Bank and the Federal Home Loan Bank), or commercial paper "with the highest quality credit rating at the time of purchase."<sup>16</sup>

*Explanatory Note: "Commercial paper" is a money market instrument that consists of a short-term, unsecured debt obligation.<sup>17</sup>*

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<sup>12</sup> Code of Alabama 1975 § 36-17-3.

<sup>13</sup> Code of Alabama 1975 § 36-17-3.

<sup>14</sup> Code of Alabama 1975 § 36-17-3.

<sup>15</sup> Code of Alabama 1975 § 41-14-33.

<sup>16</sup> Code of Alabama 1975 § 41-14-30.

<sup>17</sup> Corporate Finance Institute. "What is a Commercial Paper?" *CFI Education, Inc.*  
<https://corporatefinanceinstitute.com/resources/knowledge/credit/commercial-paper/>.

Furthermore, funds may be deposited in linked deposit accounts at financial institutions designated as state depositories pursuant to the Code of Alabama 1975 § 41-14-50. Through this program, the Office of State Treasurer deposits state funds with participating financial institutions, which in turn lend funds to “agricultural, emergency, or small business borrowers” who meet program criteria.<sup>18</sup>

The State Treasurer complies with its reporting requirements outlined in the 1901 Constitution by contributing to the Comprehensive Annual Financial Report (CAFR) of the state that is prepared by the Department of Finance.<sup>19</sup> The State Treasurer may publish other reports as necessary.

- **Paying Bonds.** Although the Alabama Constitution prohibits the state from spending more than it receives, the state may incur debt through the issuance of bonds (known as bonded indebtedness). A bond is a loan to the state government which pays back a fixed rate of return. The Office of State Treasurer is responsible for paying the principal and interest on the state’s bonds.<sup>20</sup> All bonds issued by the state until 1983 were bearer bonds with interest coupons attached. Bearer bonds are unregistered securities; the holder of the issued bond is the presumed owner and must submit attached interest coupons in order to receive payment. Bonds issued after 1983 are registered securities; the State Treasurer pays interest on these bonds through checks made payable to the registered bond holder. Beginning in the early 2000s, bonds may be issued in book-entry form only in agreement with the Depository Trust Company acting as securities depository for the bonds. Bonds issued in book-entry form are recorded electronically and do not require paper certificates as proof of ownership. As paying agent, the State Treasurer makes principal, premium, and interest payments to the Depository Trust Company for distribution.

The State Treasurer is the custodian of all redeemed bonds and paid coupons of the state. All bonds of the state, redeemed or paid, are canceled and registered in bound volumes kept for that purpose.

- **Administering the Alabama Trust Fund.** The State Treasurer administers the Alabama Trust Fund, including the keeping of records, the management of bank accounts, the transfer of funds, and the safekeeping of securities evidencing investments. This is an irrevocable trust fund established by amendments to the Alabama Constitution to enable the state to invest money received from oil and gas leases.<sup>21</sup> The State Treasurer serves as Secretary to the Alabama Trust Fund Board.
- **Administering Programs of the Wallace-Folsom Savings Investment Plan.** The State Treasurer manages the Wallace-Folsom Savings Investment Plan, composed of the following programs: the Alabama College Education Savings (ACES) Program (now marketed as the CollegeCounts 529 Program), the Prepaid Affordable

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<sup>18</sup> Code of Alabama 1975 § 41-14-50 through § 41-14-51.

<sup>19</sup> Code of Alabama 1975 § 41-4-3.

<sup>20</sup> Code of Alabama 1975 § 36-17-3[7].

<sup>21</sup> Alabama Constitutional Amendment No. 450.

College Tuition (PACT) Program, and the Achieving a Better Life Experience (ABLE) Program.<sup>22</sup> These programs are referred to collectively as the Savings Programs, and the State Treasurer serves as Board Chair for each program.

The CollegeCounts 529 Program and the PACT Program are both tax-advantaged investment savings plans designed to encourage Alabamians to set money aside for their beneficiaries' education expenses. The CollegeCounts 529 Program allows savers to open an investment account, while the PACT Program allows savers to prepay future tuition and mandatory fees. The PACT Program has been closed to enrollment since 2008; however, program administration and disbursement of funds remain active as of October 2020 and will continue until all benefits are paid. PACT Program beneficiaries have ten years after their projected college entrance dates to access PACT Program benefits; whereas, CollegeCounts 529 Program beneficiaries have sixty years to utilize their savings program.

The ABLE Program assists "individuals and families to save private funds to support individuals with disabilities to maintain health, independence, and quality of life."<sup>23</sup> This savings program provides income tax exemption for participating eligible individuals and does not affect eligibility for other resource-based benefits.

- **Administering the Securities for Alabama Funds Enhancement (SAFE)**

**Program.** The State Treasurer administers the Securities for Alabama Funds Enhancement (SAFE) Program. The SAFE Program increases the security of public funds in state depositories by requiring any bank or financial institution which accepts deposits of public funds to ensure those funds by pledging eligible collateral to the State Treasurer. To further safeguard public deposits, the law requires all participating financial institutions to guarantee each deposit in the SAFE collateral pool.<sup>24</sup> The Office of State Treasurer provides oversight for securities pledged as collateral for all public funds on deposit with qualified public depositories in the state.<sup>25</sup> The State Treasurer serves as Board Chair of the board overseeing the program.

- **Administering Unclaimed Property Laws.** The State Treasurer manages the Unclaimed Property Program. The Code of Alabama 1975 § 35-12-70 through 35-12-96 gives the State Treasurer authority over the claim, custody, and disposition of unclaimed/abandoned property in Alabama. Financial institutions, insurance companies, utility companies, and other legal entities doing business in Alabama must report and deliver annually to the State Treasurer any unclaimed monies they may hold. The State Treasurer then assumes custody of and responsibility for the property, attempts to reunite the property with its legal owner, adjudicates claims to the property, and disposes of the property as appropriate.

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<sup>22</sup> Code of Alabama 1975 § 16-33C-1 to 16-33C-25.

<sup>23</sup> Code of Alabama 1975 § 16-33C-3.

<sup>24</sup> Code of Alabama 1975 § 41-14A-8.

<sup>25</sup> Code of Alabama 1975 § 41-14A-2.



- **Serving on Boards, Commissions, and Authorities.** The State Treasurer serves on numerous boards, commissions, and authorities, including, but not limited to, the following: State Board of Adjustment, Board of Control of the Teacher's Retirement System, Board of Control of the Employees' Retirement System of Alabama, Board to Approve Contracts for Public Printing, the Alabama Highway Authority, the Alabama Trust Fund, the Securities for Alabama Funds Enhancement (SAFE) Program Board, the Savings Program (ABLE, ACES [CollegeCounts 529], and PACT Programs) Boards, and various bond commissions. The State Treasurer also acts as the Treasurer of various public authorities, including, but not limited to, the following: the Alabama Education Authority; the Alabama Trade School and Junior College Authority; the Public School and College Authority; and the Coosa Valley Development Authority.

Although the State Treasurer does not serve on the Board of Compromise, the Code of Alabama 1975 § 41-1-3 mandates that the records of this board, which adjusts, compromises, or settles claims of the state against any individual or corporation that owes money to the state, be maintained by the State Treasurer.

- **Administering Internal Operations.** A significant portion of the agency's work includes general administrative, financial, and personnel activities performed to support the programmatic areas of the agency including:

**Managing the Agency:** Activities include internal office management activities common to most government agencies such as corresponding and communicating, scheduling, meeting, documenting policy and procedures, reporting, litigating, legislating (drafting, tracking), publicizing and providing information, managing records, and managing information systems and technology.

**Managing Finances:** Activities include budgeting (preparing and reviewing budget package, submitting the budget package to the Department of Finance, documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; and assisting in the audit process.

**Managing Human Resources:** Activities include recruiting and hiring eligible individuals to fill positions within the agency; providing compensation to employees; providing benefits to employees such as leave, health insurance, unemployment compensation, worker's compensation, injury compensation, retirement, and death benefits; supervising employees by evaluating performance, granting leave, and monitoring the accumulation of leave; training and providing continuing education for employees; investigating and disciplining.

**Managing Properties, Facilities, and Resources:** Activities include inventorying

and accounting for non-consumable property and reporting property information to the appropriate authority; leasing and/or renting offices or facilities; providing security for property managed by the agency; insuring property; and assigning, inspecting and maintaining agency property.

# Records Appraisal of the Alabama Office of State Treasurer

The following is a discussion of the two major categories of records created and/or maintained by the agency: Temporary Records and Permanent Records.

## Temporary Records

Temporary records should be held for what is considered their active life and be disposed of once all fiscal, legal, and administrative requirements have been met. Some of the temporary records created by the Office are discussed below:

- **Treasury Checks.** The Office of State Treasurer issues treasury checks in response to orders of the State Treasurer, largely in response to large-scale emergencies. These checks are cosigned by the State Treasurer and the Assistant State Treasurer. The retention for the series is seven years after the end of the fiscal year in which the transaction occurred, based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- **Bank Statements and Reconciliations.** The Office of State Treasurer is responsible for reconciling all treasury bank statements, which record all state deposits. These bank statements and reconciliations are for the numerous bank accounts that the State Treasury has in all banks across the state. These are bank deposits that are available daily for liquidity. The retention for the record series is seven years based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- **Applications to Become a State Depository.** Banks wishing to become approved as depositories of state funds must submit an application to the Office of State Treasurer. According to the Code of Alabama 1975 § 41-14-2, any such bank or savings association must first be designated as a qualified public depository pursuant to Title 41 Chapter 14A. The qualified public depository must include with its application “a statement, verified by the affidavit of its president or other executive head, setting forth the amount of its paid-in capital stock, the amount of its surplus and undivided profits, its principal place of business, the length of time it has been engaged in business, and its assets and liabilities at the time of making application.”<sup>26</sup> The retention is for the active life of the depository relationship plus three years for reference purposes.
- **Paid Warrants.** A warrant is similar to a check and authorizes and orders payment from the State Treasury. Paid warrants are records of payments issued by the State Comptroller on behalf of the state. Records of all issued and paid warrants are available in the enterprise financial and procurement database (STAARS, which the agency began to use in October 2015). Images of paid warrants are maintained by the Office of State Treasurer. As of October 2020, all warrants are available on the warrant paying bank database system. The retention is seven years based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).

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<sup>26</sup> Code of Alabama 1975 § 41-14-2.

- **Expired Warrants.** A warrant is similar to a check and authorizes and orders payment from the State Treasury. The Code of Alabama 1975 § 41-4-60 deems any warrant that is outstanding and unpaid one year from date of issue to be expired. Expired warrants are available to be claimed by the payee indefinitely through the Unclaimed Property Program. Since 1999, records of unpaid warrants are transferred by the Department of Finance to the Unclaimed Property Database. All property data and transactions in the unclaimed property database are retained on a permanent basis.
- **Treasury Investment Statements.** The Treasurer invests excess monies in eligible securities with all interest earned credited to the General Fund. The custodian<sup>27</sup> of such securities records all securities transactions and provides monthly statements of holdings, interest earned, purchases/sales, and other similar activities. While bank statements and reconciliations document monies that are available daily for liquidity, investment statements are invested in securities such as treasury securities and agency securities. While the Office of State Treasurer retains statutory responsibility to maintain these records, the office's financial custodian (Regions Bank as of October 2020) creates and retains the records for the life of the investment relationship. The retention is 7 years based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- **Time and Time Deposit Open Account (TDOA) Deposit Records.** The Treasurer may deposit excess monies in interest-bearing bank deposit instruments such as Time and TDOA deposits with qualified public depositories. These records document such deposits, interest rate, and term. The retention is 7 years after deposit maturity based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- **Gas Tax Distribution Records.** The Treasurer is directed by several statutes to distribute various gasoline-related taxes and motor vehicle fees to cities and counties monthly. These records document the type of distribution, amount, and payee. The retention is 7 years after the fiscal year of distribution based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- **Redeemed Bearer Bonds.** Bearer bonds are unregistered securities; the holder of the issued bond is the presumed owner and must submit attached interest coupons in order to receive payment. Redeemed or paid bonds and coupons are destroyed in accordance with the Code of Alabama 1975 § 36-17-13 after their numbers and dates are entered in bearer bond books to be retained permanently. The redeemed bearer and registered bonds shall be retained until the completion of one audit and the release of the audit report, with destruction witnessed by the Examiners of Public Accounts. The Examiners of Public Accounts must witness destruction in order to "certify to the fact of the destruction."<sup>28</sup> This retention period ensures that the records are available to the Examiners of Public Accounts.

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<sup>27</sup> In finance, a custodian is a specialized financial institution that holds customers' securities for safekeeping in order to minimize the risk of their misappropriation, theft, or loss. See Bo Abesamis, "A Primer on the Role of Custodians," *Callan LLC*, May 20, 2019. <https://www.callan.com/custodian-primer/>.

<sup>28</sup> Code of Alabama 1975 § 36-17-13.

- **Prepaid Affordable College Tuition (PACT) Program Reconciliation and Fund Certification Records.** These records document bank and fund reconciliation of program cash. The retention for this series is one year after the end of the fiscal year which the audit covers, which ensures that records are made available for audit by the Examiners of Public Accounts or an equivalent auditing firm.
- **Prepaid Affordable College Tuition (PACT) Program Database.** The PACT Program is closed to enrollment since 2008 but is currently active and will remain so until every contract is expired, graduated or closed. The database includes, but is not limited to, information on every purchaser and beneficiary, contract payments, benefit payments, tuition and mandatory fee grids, and scanned documents. The retention for this series is 7 years after the contract is expired, graduated, or closed, to ensure that records are available until all enrollees have completed their education.
- **Prepaid Affordable College Tuition (PACT) Program Trust Fund Investment Records.** These records document investments of the PACT Trust Fund. As of October 2020, the Trust Fund remains active with monies invested short term. The retention for this series is one year after the end of the fiscal year covered by the financial audit by an independent auditing firm or the Examiners of Public Accounts because the audit, a permanent record, includes investment information.
- **Prepaid Affordable College Tuition (PACT) Program College Tuition Invoices and Payment Records.** These records document the tuition hours and mandatory fees charged by an education institution for each PACT beneficiary, and payment to the education institution. The retention for the college tuition invoices and payment records is one year after the end of the fiscal year covered by the financial audit by the Examiners of Public Accounts or an independent auditing firm to ensure that records are available for the audit and because the PACT Rules provide that no adjustments will be made once an invoice has been paid.
- **Securities for Alabama Funds Enhancement (SAFE) Program Administrative Files.** All banking/financial institutions wishing to accept public funds (state, county, and/or municipal) for deposit must complete a package of agreements that are submitted to the State Treasurer for approval. The package may include, but is not limited to, the following types of agreements: a Contingent Liability Agreement, a Collateral Security Agreement, an Authorized Representatives and Signature Certification, and a Certification of Adoption of Director's Resolution. These documents form the legal basis for the relationship between the Office of State Treasurer and the bank/financial institution. Once these documents have been completed to the satisfaction of the Office of State Treasurer, a Certificate of Qualified Public Depository is issued by the Office of State Treasurer to the bank/financial institution which then becomes a qualified public depository. In the event of the failure/default of a qualified public depository, these documents set forth the obligations of both parties and the procedures to be followed to prevent the loss of public funds. These records should be kept for two years after the fiscal year covered by the compliance audit by the Examiners of Public Accounts following the financial institution's withdrawal from the program. This retention period

will ensure that records are available to the Examiners of Public Accounts for the annual audit and complies with the SAFE Rules filed in accordance with Administrative Procedures.

- **Securities for Alabama Funds Enhancement (SAFE) Program Qualified Public Depository (QPD) and Transactional Records.** Banks electronically report their public deposits and collateral monthly to SAFE, and regularly transmit collateral pledging requests. The Office maintains a database of the reports, of details of securities pledged as collateral, and of collateral transactions. These records should be kept for one year after the fiscal year covered by the compliance audit by the Examiners of Public Accounts. This retention period ensures that records are available to the Examiners of Public Accounts for the annual audit.
- **Records Documenting the Unclaimed Property Claims Process.** Financial institutions, insurance companies, utility companies, and other legal entities doing business in Alabama electronically report and deliver annually to the State Treasurer any unclaimed monies they may hold.

An individual seeking to claim unclaimed property submits an Unclaimed Property Claim to the Office of State Treasurer. The claimant must provide documentation verifying ownership with the initial claim report. Claims for abandoned property are verified, and an electronic record is maintained of successful claims in the unclaimed property database system. The retention for these paper records is seven years after the fiscal year received based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act). Documentation of the paid claim is retained in the database permanently.

- **Records Documenting Interstate Exchanges/Transactions of Unclaimed Property.** The Office of State Treasurer may exchange (“swap”) or otherwise transact unclaimed property with the corresponding Unclaimed Property Programs of other states. The retention for this series of paper documents is seven years after the fiscal year in which the interstate transaction occurred based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act). Documentation of the exchange is retained in the database permanently.
- **Unclaimed Property Tangible Records.** This record series includes physical items of property received by the office from sources such as safe deposit boxes. The Office of State Treasurer maintains physical items of property for one year, or such other timeframe provided in the Program Rules filed in accordance with the Administrative Procedures, after which the property is auctioned. The proceeds from the sale, and subsequent claim, are maintained indefinitely on behalf of the owner in the Unclaimed Property Database. Records pertaining to tangible unclaimed property are to be retained for seven years after the fiscal year in which the items were disposed based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).
- **Unclaimed Securities Sales Files.** The Office of State Treasurer employs securities custodians to manage unclaimed financial instruments (such as stocks and bonds). The

custodians sell unclaimed instruments upon receipt, or such other timeframe provided in the Program Rules filed in accordance with the Administrative Procedures. Proceeds of the sale are held indefinitely on behalf of potential claimants in the Unclaimed Property Database. The administrative files of these securities custodians are to be retained for seven years after the fiscal year in which the items were sold or otherwise converted to cash based on standard retention guidelines of 31 CFR Chapter X Appendix P (Bank Secrecy Act).

- **Community Service Grant Files.** The Treasurer serves as a member of the State Executive Commission on Community Services Grant established in the Code of Alabama 1975 § 41-24A-1. These records document the grant request made by members of the Legislature for the community services grant program pursuant to the Code of Alabama 1975 Title 41 Chapter 24. The retention for the Treasurer's copy of this series is one year after the year in which the warrant is issued because statutorily the warrant expires one year after being issued.
- **Register of Administrative Rules.** According to the Code of Alabama 1975 § 41-22-6 through § 41-22-7, agencies must compile and maintain "an official register of regulations which shall be compiled, indexed, published in loose-leaf form, and kept up to date..." This "official register of regulations" is known as "The Office of State Treasurer Administrative Code" and must be made available upon request to all persons. Since the register must be updated on an ongoing basis, it is to be retained until superseded.
- **Administrative Rule Change Working Files.** The Alabama Administrative Procedure Act (Code of Alabama Title 41 Chapter 22) details the steps which an agency must follow when updating its administrative rules. Working files are produced in the course of proposal, adoption, amendment, and/or repeal of administrative rules. Records in this series may include, but are not limited to, the following: received public comments, economic impact statements, and business impact analyses. A retention of one year after adoption, amendment, repeal, or rejection of an administrative rule permits review by staff when considering similar rules.

## Permanent Records

The Archives Division has appraised the following records as permanent.

## Managing State Funds

- **Annual Reports.** The annual reports (formerly biennial reports) show the condition of the State Treasury and include published copies and, in some instances, original documents. After 1939, the report of the State Treasurer became part of the Comprehensive Annual Financial Report (CAFR) of the state. A separate published report is created detailing the bonded indebtedness of the state. These reports summarize activities in all of the financial subfunctions of the Office of State Treasurer and are particularly important in providing evidence of banking, paying the state debt, and

investing. **(Bibliographic Title: State Publications)**

## **Paying Bonds**

- **Bond Transcripts (If the State Treasurer is the Secretary for the Bond Authority).** These are bound volumes which contain the bond issuance documentation, such as official statement and specimen bond. These volumes should be preserved permanently if the State Treasurer serves as the secretary to the bond authority. For bonds for which the State Treasurer serves only as the paying agent, the retention is three years after the issue is paid in full, as permanent bond transcripts are maintained by each bond authority (most are retained by the State Debt Manager within the Department of Finance). **(Bibliographic Title: Bond Transcripts)**
- **Reports of Bonded Indebtedness.** The report shows all state bonds, including those for which the State Treasurer acts as the paying agent. This report is compiled once a year by the Examiners of Public Accounts, is retained by the Examiners of Public Accounts, and is included in the Comprehensive Annual Financial Report (CAFR). **(Bibliographic Title: Report of Bonded Indebtedness)**
- **Bearer Bond Books.** These are records of redeemed or paid bearer bonds and coupons, which are destroyed in accordance with the Code of Alabama 1975 § 36-17-13, after their numbers and dates are entered in bond books. Bond books must be “carefully preserved” by the State Treasurer as evidence of the issuance and redemption of the bonds. The bearer bond books are permanent records maintained in the vault of the Office of State Treasurer pursuant to the Code of Alabama 1975 § 36-17-12. **(Bibliographic Title: Not Applicable) (Maintained by the Office of State Treasurer)**
- **Bonds of Indemnity Books.** These are records created when a bond has been lost or stolen and must be replaced by the State Treasurer with a duplicate. The records must be maintained in the Office of State Treasurer in case the original bond is ever found pursuant to the Code of Alabama 1975 § 36-17-14. **(Bibliographic Title: Not Applicable) (Maintained by the Office of State Treasurer)**

## **Administering the Alabama Trust Fund**

- **Meeting Minutes, Agendas, and Packets of the Alabama Trust Fund Board.** The Alabama Trust Fund (ATF) was created by Amendment 450 to the Alabama Constitution and ratified in 1985. The ATF was established as an investment vehicle for the management of oil and gas capital payments generated from drilling activity in Alabama’s offshore waters. The fund is under the management and control of the Alabama Trust Fund Board with a membership of nine trustees. The Governor serves as chairperson, the Director of the Department of Finance as vice chairperson, and the State Treasurer as secretary. Amendment 450 provides that “the board shall use the facilities of the State Treasurer in the administration of the trust fund, including, but without limitation thereto, the keeping of records, the management of bank accounts, the transfer of funds and the safekeeping of securities evidencing investments.” This series contains



information on proposed and executed proceedings of the board. In addition to minutes, this series also includes meeting agendas and other supporting or reference documents. The meeting minutes of the board provide important documentation of the board's actions that may not be found elsewhere. **(Bibliographic Title: Meeting Files)**

### **Administering Programs of the Wallace-Folsom Saving Investment Plan**

- **Meeting Minutes, Agendas, and Packets of the Savings Program (ABLE, ACES, and PACT) Boards.** The series consists of meeting minutes and packets of the respective Savings Program boards, including the following programs: Achieving a Better Life (ABLE), Alabama College Education Savings (ACES, now marketed as CollegeCounts 529), and Prepaid Affordable College Tuition (PACT). The records summarize the major actions/events of the programs, program rules, investment policies, disclosure statements and other program information. **(Bibliographic Title: Meeting Files)**

### **Administering the Securities for Alabama Funds Enhancement (SAFE) Program**

- **Meeting Minutes, Agendas, and Packets of the Securities for Alabama Funds Enhancements (SAFE) Board.** These records document proposed and executed proceedings of the board. The Board has broad responsibility and authority to assess and manage the sufficiency of the collateral pool and the SAFE Program to provide adequate protection from losses to public depositors (Code of Alabama 1975 § 41-14A-6). Meeting agendas and minutes are also included within the scope of the series. **(Bibliographic Title: Meeting Files)**

### **Administering Unclaimed Property Laws**

- **Unclaimed Property Database.** The primary purpose of the Unclaimed Property Program is to receive and manage unclaimed property (assets, securities, and safe deposit box contents) and to reunite these assets with legal owners. Primary records of the program are maintained within a computer database, which captures information including, but not limited to, the following: owner information, reporting business, and financial/claim transactions. These records have historical value in documenting the receipt and disposition of property. All property data and transactions have been retained on a permanent basis in the system database since the Treasurer assumed the program in 1996, and other data received from Department or Revenue that managed the program from 1971 to 1996. **(Bibliographic Title: Not Applicable) (Maintained by the Office of State Treasurer)**

### **Serving on Boards, Commissions, and Authorities**

- **Meeting Minutes and Orders of the Board of Compromise.** Although the State Treasurer does not serve on the Board, the Office is required to maintain the meeting minutes and orders of the Board of Compromise pursuant to the Code of Alabama 1975 § 41-1-3. The Board of Compromise is composed of the Attorney General, the State

Auditor, and the Governor. The Board is empowered to settle debts to the state that may involve large amounts of money. **(Bibliographic Title: Meeting Files)**

## **Administering Internal Operations**

- **Policies and Procedures - Policies and Procedures Governing Core Functions and Services.** These records are designed to assist in the conduct of day-to-day operations. The scope of the series includes both (a) internal policies and procedures of the office, and (b) policies and procedures of the programs offered by the office, including, but not limited to, the Savings Programs (ABLE, ACES [CollegeCounts 529], and PACT), Unclaimed Property, and SAFE. The scope of the series does not include policies concerning the administration of routine, internal operations. **(Bibliographic Title: Policies and Procedures)**
- **Certified Copies of the Administrative Rules.** The Alabama Administrative Code is a compilation of the rules of all state agencies covered by the Alabama Administrative Procedure Act. Each agency covered by the Act may propose and adopt revisions to its administrative rules. According to the Code of Alabama 1975 § 41-22-6, “each agency shall have an officer designated as its secretary and shall file in the office of the secretary of the agency a certified copy of each rule adopted [by the agency].” **(Bibliographic Title: Not Applicable) (Maintained by the Office of State Treasurer)**
- **Administrative Files that Document Policy, Process, and Procedure.** These records, which include official correspondence, document the State Treasurer’s administration and coordination of all of the subfunctions carried out by the Office of State Treasurer and provides evidence of policy and decision-making in all areas. These records include, but are not limited to, correspondence with state officials, legal/advisory correspondence, correspondence documenting insurance coverage, and other correspondence. These records may be paper or electronic. **(Bibliographic Title: Administrative Files)**
- **Annual and Other Periodic Reports.** These records include reports created by the agency that document its critical activities. Some agencies must submit an annual report to the Governor and/or the Legislature by statute. The frequency of report publications may vary (annual, biannual, quarterly, etc.). Interim reports that contain the same substantive information as a corresponding annual or other periodic report need not be retained permanently. Where no agency annual report exists, or where the agency annual report does not adequately document activities of the agency, then division annual reports should be retained. **(Bibliographic Title: State Publications)**
- **Special Reports.** These records include reports created by the agency pertaining to a specific topic or subject area. Special reports may be prepared on an irregular schedule. Interim reports that contain the same substantive information as a corresponding special report need not be retained permanently. **(Bibliographic Title: State Publications)**
- **Representational Final Versions of Informational and Promotional Materials.** These brochures, pamphlets and/or reports describe to the public the activities of the Office of

State Treasurer and its various programs including, but not limited to, the Savings Programs (ABLE, ACES [CollegeCounts 529], and PACT), Unclaimed Property, and SAFE. These publications provide concise summaries of programs in the subfunctions of the program administration. **(Bibliographic Title: Publicity Files)**

- **Board Member Files – Biographical and Historical Information.** These records include biographical description and other historical data related to the agency's board members. These records provide important documentation of the board's composition. **(Bibliographic Title: Board Member Biographical Files)**
- **Website and Social Media Site(s).** The Office of State Treasurer has a website at [www.treasury.alabama.gov](http://www.treasury.alabama.gov) and social media sites with Facebook and Twitter. Information on the website includes program descriptions of all divisions, staff and contact directory, meeting notices, and reports. ADAH staff capture and preserves the agency's website and other social media sites via a service offered by the Internet Archive [Archive-It]. Any content behind password protection or login would not be captured by ADAH. Check with the ADAH website at [www.archiveit.org/organizations/62](http://www.archiveit.org/organizations/62) to ensure your agency and social media site(s) are captured and preserved. If your agency's website and social media site(s) are not being captured by the service, please contact the Archives Division at 334-242-4452 to get them included. **(Bibliographic Title: Website and Social Media Site[s])**

## **Permanent Records List**

### **Alabama Office of State Treasurer**

#### **Managing State Funds**

1. Annual Reports

#### **Paying Bonds**

1. Bond Transcripts (If the State Treasurer is the Secretary for the Bond Authority)
2. Reports of Bonded Indebtedness
3. Bearer Bond Books\*
4. Bonds of Indemnity Books\*

#### **Administering the Alabama Trust Fund**

1. Meeting Minutes, Agendas, and Packets of the Alabama Trust Fund Board

#### **Administering Programs of the Wallace-Folsom Savings Investment Plan**

1. Meeting Minutes, Agendas, and Packets of the Savings Program (ABLE, ACES, and PACT) Boards

#### **Administering the Securities for Alabama Funds Enhancement (SAFE) Program**

1. Meeting Minutes, Agendas, and Packets of the Securities for Alabama Funds Enhancement (SAFE) Board

#### **Administering Unclaimed Property Laws**

1. Unclaimed Property Database\*

#### **Serving on Boards, Commission, and Authorities**

1. Meeting Minutes and Orders of the Board of Compromise

#### **Administering Internal Operations**

1. Policies and Procedures – Policies and Procedures Governing Core Functions and Services
2. Certified Copies of the Administrative Rules\*
3. Administrative Files that Document Policy, Process, and Procedure
4. Annual and Other Periodic Reports
5. Special Reports
6. Representational Final Versions of Informational and Promotional Materials
7. Board Member Files – Biographical and Historical Information

#### 8. Website and Social Media Site(s)

\*indicates records that the Alabama Office of State Treasurer has determined should be retained permanently and that ADAH anticipates will remain in the care and custody of the creating agency. All other permanent records are to be transmitted to the ADAH once they are no longer in active use by the Alabama Office of State Treasurer.

# **Alabama Office of State Treasurer Records Disposition Authority**

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975 § 41-13-5 and 41-13-20 through 21. It was compiled by the Archives Division, Alabama Department of Archives and History (ADAH), which serves as the Commission's staff, in cooperation with representatives of the Agency. The RDA lists records created and maintained by the Agency in carrying out their mandated functions and activities. It identifies records which must be maintained permanently and ultimately transferred to the ADAH; establishes retention periods for temporary records; and provides the legal authority for the Agency to implement destruction of eligible records.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and may be made available to members of the public. Records also must be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975 § 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the agency records manager or ADAH Archives Division at (334) 242-4452.

## **Explanation of Records Requirements**

The RDA shall govern the disposition of all records, regardless of format, created by the agency from creation to dissolution. Please contact the staff of the Department of Archives and History before destroying any records created prior to 1940.

This RDA supersedes any previous records disposition schedules or RDAs governing the retention of the records created by the Agency. Copies of superseded schedules are no longer valid and may not be used for records disposition.

The RDA establishes retention and disposition instructions for records listed below, regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.

Certain other record-like materials are not actually regarded as official records and may be disposed of under this RDA. Such materials include (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document agency activities; (3) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and have become obsolete; (4) transitory records, which are temporary records created for short-term, internal purposes, may include, but are not limited to, telephone call-back messages, drafts of ordinary documents not needed for their evidential value,

copies of material sent for information purposes but not needed by the receiving office for future business, and internal communications about social activities; (5) honorary materials, plaques, awards, presentations, certificates, and gifts received or maintained by the agency staff. They may be disposed of without documentation of destruction.

## **Records Disposition Requirements**

This section of the RDA is arranged by subfunctions of the Agency and lists the groups of records created and/or maintained as a result of activities and transactions performed in carrying out these subfunctions. The Agency may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular biannual meetings.

### **Managing State Funds**

#### **ANNUAL REPORTS**

Disposition: PERMANENT RECORD.

#### **Treasury Checks**

Disposition: Temporary Record. Retain 7 years after the end of the fiscal year in which the transaction occurred.

#### **Bank Statements and Reconciliations**

Disposition: Temporary Record. Retain 7 years.

#### **Applications to Become a State Depository**

Disposition: Temporary Record. Retain for the active life of the depository relationship plus 3 years.

#### **Paid Warrants**

Disposition: Temporary Record. Retain for 7 years.

#### **Expired Warrants**

Disposition: Temporary Record. Transfer to the Unclaimed Property Database.

#### **Linked Deposit Loan Application Files**

Disposition: Temporary Record. Retain 3 years after termination of agreement.

#### **Treasury Investment Statements**

Disposition: Temporary Record. Retain 7 years.

#### **Time and Time Deposit Open Account (TDOA) Deposit Records**

Disposition: Temporary Record. Retain 7 years after deposit maturity.

#### **Gas Tax Distribution Records**

Disposition: Temporary Record. Retain 7 years after the fiscal year of distribution.

## **Paying Bonds**

### **BOND TRANSCRIPTS (IF THE STATE TREASURER IS THE SECRETARY FOR THE BOND AUTHORITY)**

Disposition: PERMANENT RECORD.

### **REPORTS OF BONDED INDEBTEDNESS**

Disposition: PERMANENT RECORD.

### **Bond Transcripts (if the State Treasurer is the paying agent for the bond authority)**

Disposition: Temporary Record. Retain 3 years after issue is fully paid.

### **Registry of Bondholders**

Disposition: Temporary Record. Retain 3 years after issue is fully paid.

### **BEARER BOND BOOKS**

Disposition: PERMANENT RECORD. Retain in office (Code of Alabama 1975 § 36-17-12).

### **BONDS OF INDEMNITY BOOKS**

Disposition: PERMANENT RECORD. Retain in office (Code of Alabama 1975 § 36-17-14).

### **Redeemed Bearer Bonds**

Disposition: Temporary Record. Retain for the completion of 1 audit and the release of the audit report (destruction witnessed by Examiners of Public Accounts, per Code of Alabama 1975 § 36-17-13).

### **Redeemed Registered Bonds**

Disposition: Temporary Record. Retain for the completion of 1 audit and the release of the audit report (destruction witnessed by Examiners of Public Accounts, per Code of Alabama 1975 § 36-17-13).

### **Broker Transmission Letters/Request for Registration**

Disposition: Temporary Record. Retain for life of bond.

### **Bond Principal and Interest Payments**

Disposition: Temporary Record. Retain 3 years after issue is fully paid.

### **Debt Service Schedule**

Disposition: Temporary Record. Retain 3 years after issue is fully paid.

## **Administering the Alabama Trust Fund**

### **MEETING MINUTES, AGENDAS, AND PACKETS OF THE ALABAMA TRUST FUND BOARD**

Disposition: PERMANENT RECORD.



## **Administering Programs of the Wallace-Folsom Saving Investment Plan**

### **MEETING MINUTES, AGENDAS, AND PACKETS OF THE SAVINGS PROGRAM (ABLE, ACES, AND PACT) BOARDS**

Disposition: PERMANENT RECORD.

### **Prepaid Affordable College Tuition (PACT) Program Reconciliation and Fund Certification Records**

Disposition: Temporary Record. Retain 1 year after the end of the fiscal year of the compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm.

### **Prepaid Affordable College Tuition (PACT) Program Database**

Disposition: Temporary Record. Retain 7 years after the contract is expired, graduated, or closed.

### **Prepaid Affordable College Tuition (PACT) Program Trust Fund Investment Records**

Disposition: Temporary Record. Retain 1 year after the end of the fiscal year of the compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm.

### **Prepaid Affordable College Tuition (PACT) Program College Tuition Invoices and Payment Records**

Disposition: Temporary Record. Retain 1 year after the end of the fiscal year of the compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm.

## **Administering the Securities for Alabama Funds Enhancement (SAFE) Program**

### **MEETING MINUTES, AGENDAS, AND PACKETS OF THE SECURITIES FOR ALABAMA FUNDS ENHANCEMENT (SAFE) BOARD**

Disposition: PERMANENT RECORD.

### **Securities for Alabama Funds Enhancement (SAFE) Program Administrative Files**

Disposition: Temporary Record. Retain 2 years after the end of the fiscal year of the compliance audit by the Examiners of Public Accounts following the financial institution's withdrawal from the program.

### **Securities for Alabama Funds Enhancement (SAFE) Program Qualified Public Depository (QPD) and Transactional Records**

Disposition: Temporary Record. Retain 1 year after the end of the fiscal year of the compliance audit by the Examiners of Public Accounts.

## **Administering Unclaimed Property Laws**

### **UNCLAIMED PROPERTY DATABASE**

Disposition: PERMANENT RECORD. Retain in office.

**Records Documenting the Unclaimed Property Claims Process**

Disposition: Temporary Record. Retain 7 years after fiscal year received.

**Records Documenting Interstate Exchanges/Transactions of Unclaimed Property**

Disposition: Temporary Record. Retain 7 years after the fiscal year in which the transaction occurred.

**Unclaimed Property Tangible Records**

Disposition: Temporary Record. Retain 7 years after the fiscal year in which the items were disposed.

**Unclaimed Securities Sales Files**

Disposition: Temporary Record. Retain 7 years after the fiscal year in which the items were sold or otherwise converted to cash.

**Serving on Boards, Commissions, and Authorities****MEETING MINUTES AND ORDERS OF THE BOARD OF COMPROMISE**

Disposition: PERMANENT RECORD (Code of Alabama 1975 § 41-1-3).

**Community Service Grant Files**

Disposition: Temporary Record. Retain 1 year after the year in which the warrant is issued.

**Administering Internal Operations: Managing the Agency****Policies and Procedures**

- a. POLICIES AND PROCEDURES GOVERNING CORE FUNCTIONS AND SERVICES  
Disposition: PERMANENT RECORD.
- b. Policies and procedures concerning internal operations, including the administration of finances, personnel, properties, facilities, and resources  
Disposition: Temporary Record. Retain 3 years.

**CERTIFIED COPIES OF ADMINISTRATIVE RULES**

Disposition: PERMANENT RECORD. Retain in office.

**Register of Administrative Rules**

Disposition: Temporary Record. Retain until superseded.

**Administrative Rule Change Working Files**

Disposition: Temporary Record. Retain 1 year after adoption, amendment, repeal, or rejection of the rule.

**ADMINISTRATIVE FILES THAT DOCUMENT POLICY, PROCESS, AND PROCEDURE**

Disposition: PERMANENT RECORD. Transfer to the Archives at the end of the State Treasurer's term.

**ANNUAL AND OTHER PERIODIC REPORTS**

Disposition: PERMANENT RECORD.

**SPECIAL REPORTS**

Disposition: PERMANENT RECORD.

**REPRESENTATIONAL FINAL VERSION OF INFORMATIONAL AND PROMOTIONAL MATERIALS**

Disposition: PERMANENT RECORD.

**Informational and Promotional Working Files**

Disposition: Temporary Record. Retain for useful life.

**Board Member Files**

- a. BIOGRAPHICAL AND HISTORICAL INFORMATION

Disposition: PERMANENT RECORD.

- b. Board Appointment Letters

Disposition: Temporary Record. Retain the length of the board term.

- c. Other Files about Board Members

Disposition: Temporary Record. Retain for useful life.

**Routine Correspondence**

Disposition: Temporary Record. Retain 3 years.

**Agency Legal Files**

Disposition: Temporary Record. Retain 6 years after closure or final disposition of case.

**Administrative Reference Files**

Disposition: Temporary Record. Retain for useful life.

**Internal Procedures**

Disposition: Temporary Record. Retain until superseded.

**Legislative Files (drafts of proposed agency-sponsored legislation, tracking files and records)**

Disposition: Temporary Record. Retain for useful life.

**Records documenting the implementation of the agency's approved RDA (copies of transmittal forms to Archives or State Records Center, evidence of obsolete records destroyed, and annual reports to State Records Commission)**

Disposition: Temporary Record. Retain 10 years.

**Signed Copies of Approved RDA**

Disposition: Temporary Record. Retain until superseded.

**Computer Systems Documentation (Hardware/Software Specifications and Warranties)**

Disposition: Temporary Record. Retain documentation of former system 1 year after audit for the fiscal year in which the former hardware and software no longer exists anywhere in the agency and all permanent records have been migrated to a new system.

**WEBSITE AND SOCIAL MEDIA SITE(S)**

Disposition: PERMANENT RECORD.

*Note: ADAH staff capture and preserve the agency's website and other social media sites via a service offered by the Internet Archive [Archive It]. Any content behind password protected or login would not be captured by ADAH. Check with the ADAH website at [www.archiveit.org/organizations/62](http://www.archiveit.org/organizations/62) to ensure your agency and social media site(s) are captured and preserved. If your agency's website and social media site(s) are not captured by the service, please contact the Archives Division at 334-242-4452 to get them included.*

**Administering Internal Operations: Managing Finances**

**Records documenting the preparation of a budget request package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products (includes AST-1 and AST-1A)**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Records of original entry or routine accounting transactions, such as journals, registers, and ledgers**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Purchase and Repair Order Documents**

Disposition: Temporary Record. Retain for life of warranty.

**Records documenting requests for authorization from supervisors to travel on official business and other related materials, such as travel reimbursement forms and itineraries**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Records documenting contracts for services or personal property**

Disposition: Temporary Record. Retain 6 years after expiration of the contract.

**Records documenting the bid process (including requests for proposals and unsuccessful responses)**

Disposition: Temporary Record. Retain for 6 years after the award of the contract.

**Agency Audit Reports**

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

**Administering Internal Operations: Managing Human Resources**

**Records documenting payroll (e.g. pre-payroll reports, payroll check registers)**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm.

**Records documenting payroll deduction authorizations**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting payroll deductions for tax purposes (including Form 941)**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Personnel File - Records documenting an employee's work history - generally maintained as a case file**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting employees' daily and weekly work schedules**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Records documenting employee hours worked, leave earned, and leave taken**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Records Documenting Leave Donations**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Records of Final Leave Status**

Disposition: Temporary Record. Retain record of individual employees' cumulative leave 6 years after separation of employee from the agency.

**Employee Flexible Benefits Plan Files (Applications and Correspondence)**

Disposition: Temporary Record. Retain 6 years after termination of participation in program.

**Records documenting the State Employee Injury Compensation Trust Fund (SEICTF) Claims**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting Equal Employment Opportunity Commission (EEOC) Charges of Discrimination**

Disposition: Temporary Record. Retain 6 years after final dispensation.

**Equal Employment Opportunity Commission Case Files**

Disposition: Temporary Record. Retain 3 years.

**Employee Administrative Hearing Files**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records Documenting Employee Grievances (Internal Complaints)**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting complaints against the agency and its employees from outside the agency (made by members of the public, officials, or supervisees, etc.)**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records (maintained separately from employee personnel file), documenting employee disciplinary proceedings and appeals of formal reprimands, demotions, transfers, or terminations resulting from a grievance or complaint**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting the administration of the unemployment compensation program**

Disposition: Temporary Record. Retain 6 years after conclusion of eligibility.

**Section/Division Personnel Files**

Disposition: Temporary Record. Retain until separation of an employee from the agency.

**Records Documenting agency provision of training and professional development**

Disposition: Temporary Record. Retain 3 years.

**Administering Internal Operations: Managing Properties, Facilities, and Resources****Semiannual Property Inventory Lists**

Disposition: Temporary Record. Retain 2 years (Code of Alabama 1975 § 36-16-8[1]).

**Agency Copies of Transfer of State Property Forms (SD-1)**

Disposition: Temporary Record. Retain 1 year after property audit.

**Property Inventory Cards and/or Computer Files**

Disposition: Temporary Record. Retain 1 year after property audit.

**Property Inventory Affidavits**

Disposition: Temporary Record. Retain 1 year after property audit.

**Receipts of Responsibility for Property**

Disposition: Temporary Record. Retain until return of item to property manager.

**Records documenting the use, maintenance, ownership, insurance, and disposition of vehicles owned by the agency**

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the vehicle was removed from the property inventory.

**Real Property Renting/Leasing records**

Disposition: Temporary Record. Retain 6 years after the termination of lease or rental agreement or until agency is audited and audit report is released, whichever is longer.

**Motor Pool Vehicle Use Records**

Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm or one year after the end of the fiscal year the audit covers, whichever is later.

**Insurance Policies/Risk Management Records**

Disposition: Temporary Record. Retain 6 years after termination of policy or membership.

**Records Documenting Vehicle Use/Mileage**

Disposition: Temporary Record. Retain 1 year.

# **Requirement and Recommendations for Implementing the Records Disposition Authority (RDA)**

## **Requirement**

Under the Code of Alabama 1975, § 41-13-21, “no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Agency as stipulated in this document.

One condition of this authorization is that the Agency submit an annual Records Disposition Authority (RDA) Implementation Report on its activities, including documentation of records destruction, to the State Records Commission.

Unless otherwise stipulated in this document, the Agency must transmit all permanent records which are no longer in active use to the ADAH.

## **Recommendations**

In addition, the Agency should make every effort to establish and maintain a quality record-keeping program by conducting the following activities:

The Agency should designate a staff member in a managerial position as its records liaison/records manager, who is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the agency, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the agency’s approved RDA.

Permanent records in the Agency’s custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation. ADAH archivists are available to work with Agency staff in determining the best location and storage conditions for permanent records.

Destruction of temporary records, as authorized in this RDA, should occur agency-wide on a regular basis—for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA’s provisions, no record should be destroyed that is necessary to comply with requirements of the Open Meetings Act, audit requirements, or any legal notice or subpoena.

The agency should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the agency chooses to maintain permanent records



solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility.

Electronic mail contains permanent, temporary, or transitory record information. Although e-mail records can be printed out, filed, and retained according to the RDA's requirements, the office should preferably employ an electronic records management system capable of sorting e-mail into folders and archiving messages having long-term value.

The staff of the State Records Commission or the Examiners of Public Accounts may examine the condition of the permanent records maintained in the custody of the Agency and inspect records destruction documentation. Agency records managers and/or the ADAH archivists are available to instruct the staff in RDA implementation and otherwise assist the Agency in implementing its records management program.

The State Records Commission adopted this records disposition authority on October 28, 2020.

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Steve Murray, Chairman  
State Records Commission

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Date

By signing below, the agency acknowledges receipt of the retention periods and requirements established by the records disposition authority.

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John McMillan, State Treasurer  
Office of State Treasurer

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Date